Concessions in extending loans to people in rural areas

775. SHRI SUBAS MOHANTY: Will the Minister of FINANCE be pleased to state:

(a) what are the new concessions and facilities proposed to be provided for extending loans to the people in rural areas and to the educated unemployed persons; and

(b) what will be the number of branches of banks throughout the country in the rural areas by the end of the current Five Year Plan?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) Reserve Bank of India has reported that it has issued certain guidelines to banks on a new approach to rural lending viz., the service area approach. Under this approach about 15 to 25 villages will be allotted to each rural branch of commercial banks (including Regional Rural Banks) within which it will operate for bringing about an overall economic development of the area so allotted. With regard to credit to unemployed persons, there is at presest a scheme for Self-Employment to Educated Unemployed Youth (SEEUY) implemented by Central Government in places having a population upto ten lakhs as per 1981 census. Persons satisfying eligibility criteria laid down under the scheme may have bank credit for taking up self-employment ventures in industrial, service and business sector for amounts upto Rs. 35,000|-, Rs. 25,000|- and Rs. 15,000|- respectively. Government provides capital subsidy at the rate of 25 per cent of the project cost.

(b) Reserve Bank of India has reported that on the assumption that the banks are able to open branches at all the allotted centres the total number of rural branches at the end of the current Five Year Plan are likely to be around thirty five thousand.

Discussions with USA for drought relief

776. SHRI SUBAS MOHANTY: Will the Minister of FINANCE be pleased to state:

(a) whether any discussions have recently been held with the United States regarding a package of assistance programme for providing drought relief;

(b) if so, what are the details of discussion held; and

(c) what is the outcome thereof?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) Yes, Sir.

(b) and (c) As a result of the discussions held, the U.S. Government have offered the following assistance toward drought relief:

(i) 5200 MT of butter oil to Indian Dairy Corporation as grant (agreement has been signed on 29th September, 1987);

(ii) 3 lakh tonnes of Edible oils under the Export Enhancement Programme, S.T.C. has already finalised contracts for the import of 1 lakh MT worth US dollar 45.69 million;

(iii) 4 lakh tonnes of Corn for import by NAFED and NDDB under Section 416 of the US Agricultural Adjustment Act as grant (Against this, agreement has been signed for 1 lakh tonnes on 10th February, 1988);

(iv) The U.S .have also sanctioned dollar 50 million by way of advances for the projects being funded under the U.S. AID bilateral assistance programme.